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WRITER'S DIRECT DIAL

July 17, 1996

VIA HAND DELIVERY

(202) 828-9471

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

RE: CC Docket No. 95-185
Interconnection Between LECs and CMRS Providers
CC Docket No. 96-98
Local Competition Provisions of the Telecommunications Act of 1996

EX PARTE FILING

Dear Mr. Caton:

On behalf of Preferred Networks, Inc. ("PNI" or "Company"), and in accordance with Section 1.1206(a)(2) of the Federal Communications Commission Rules and Regulations, we hereby submit the attached outline which summarizes the data and arguments presented in oral ex parte presentations made by the Company to the Offices of Chairman Hundt and Commissioner Ness on July 17, 1996. An original and one copy of this letter and its attachment is being filed herewith.

PREFERRED NETWORKS, INC.

By:



Elizabeth R. Sachs
Its Attorney

Enclosure

071

7/16/96

Some outline notes on Paging Industry interconnection by Vic Jackson,
Preferred Networks, Inc. Norcross, GA

FCC REGULATORY ISSUES WITH RESPECT TO PAGING

Compensation for Call Termination

A. The FCC "Bill and Keep" proposal ignored paging as a significant part of wireless interconnection yet paging terminates approximately 50 percent of all "wireless" PSTN calls.

B. Some local exchange carriers and state regulators have taken the position that paging calls are terminated by the wireline local exchange carrier and not by the paging carrier. (NYNEX in New York, for example). There is no logical basis for this conclusion based on the following information:

1. Paging providers incur the same basic expenses to terminate PSTN calls as do other wireline and wireless providers.
2. A Type 2 interconnection connects the local exchange tandem switch to a paging provider end office switch in exactly the same manner as any other wireline end office switch.
3. The paging provider switch performs exactly the same functions as a wireline provider switch in connecting an incoming call to a specific subscriber number.
4. A "one way call" costs just as much as a "two way call" to switch and connect.
5. A short duration call costs just as much as a long duration call to switch and connect. (call set up)
6. A paging provider telephone number is just as important as a wireline provider number. The number used to connect a paging call to a doctor is no less important than a number used for a personal call to a wireline telephone to set up a golf date.

C. The following was mandated by the FCC in 93-252. "A local exchange carrier shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier." Paging carriers are CMRS providers.

Subscriber Loop Technology

How the subscriber is connected to the service provider switch, (i.e. twisted pair, radio, cable, fiber or string) on the subscriber (line side), has no logical bearing on the interconnection of wireline and wireless networks. This principle has been recognized by the FCC since at least 1987. Regardless of the technology or service provider, on the Public Switched Telephone Network (PSTN): A switch is a switch is a switch. A call is a call is a call. A number is a number is a number

Number Portability

Paging is no different than any other PSTN service provider with respect to number portability. The ONLY limitation on paging industry participation in local number portability is a current lack of technical sophistication in the switching network. These limitations are being addressed and upgraded on the same schedule as other wireline network providers.

Numbering and Dialing Issues

Some state regulatory bodies (Texas PUC, Florida PSC, New York PSC, etc.) do not recognize wireless service providers, (including paging), as "equals" in the telephone network and have proposed various plans for number relief and dialing that relegate wireless service providers to a "secondary" status in number allocation and dialing parity. There is no logical or regulatory basis for these actions.

Local Exchange Competition

Paging, Cellular and PCS ARE local exchange competitors NOW!

Examples of services that are available from either wireline or wireless service providers INCLUDING paging.

Voice Mail services

Data services

Alarm and Security functions

Some state regulatory bodies do not consider wireless providers, (including paging) as "competitors" for local exchange services. As mentioned above, a number of PSTN services are transparent with respect to one service provider or another. The competition for these services is increasing as both technology and the sophistication of users advances.

